

AMENDED IN ASSEMBLY FEBRUARY 16, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 205**

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**Introduced by Assembly Member Hagman**

January 27, 2011

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An act to add Section 17053.44 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 205, as amended, Hagman. Income taxes:*New Car Buyer Incentive Act*: credit: vehicle registration.

The Personal Income Tax Law authorizes various credits against the taxes imposed by that law.

This bill would, for taxable years beginning on or after ~~January 1, 2011~~ *January 1, 2010*, authorize a credit under the Personal Income Tax Law for qualified costs, as defined, paid by a taxpayer for the registration of a qualified vehicle, as provided.

*The bill would make a legislative finding and declaration regarding the public purpose served by the bill.*

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 *SECTION 1. This act shall be known, and may be cited, as the*
- 2 *New Car Buyer Incentive Act.*

1     ~~SECTION 1.~~

2     ~~SEC. 2.~~ Section 17053.44 is added to the Revenue and Taxation  
3 Code, to read:

4     17053.44. (a) For each taxable year beginning on or after  
5 January 1, ~~2011~~ 2010, there shall be allowed as a credit against  
6 the “net tax,” as defined in Section 17039, an amount equal to the  
7 qualified costs paid by a taxpayer for the registration of a qualified  
8 vehicle.

9     (b) For purposes of this section:

10    (1) “Qualified costs” means the registration fees for a qualified  
11 vehicle pursuant to Article 2 (commencing with Section 9250) of  
12 Chapter 6 of Division 3 of the Vehicle Code, paid by a qualified  
13 taxpayer during the taxable year.

14    (2) “Qualified vehicle” means a vehicle for which a taxpayer  
15 has paid qualified costs previous to the purchase by the taxpayer  
16 of a new vehicle for which the taxpayer has also paid registration  
17 fees pursuant to Article 2 (commencing with Section 9250) of  
18 Chapter 6 of Division 3 of the Vehicle Code during the same  
19 calendar year *and that is either sold or traded in to purchase the*  
20 *new vehicle.*

21     ~~SEC. 3.~~ *The Legislature finds and declares that the credit*  
22 *allowed to taxpayers by this act with respect to the 2010 taxable*  
23 *year serves a public purpose of encouraging the purchase of more*  
24 *energy efficient and economical vehicles to benefit the environment*  
25 *of all Californians and does not constitute a gift of public funds*  
26 *within the meaning of Section 6 of Article XVI of the California*  
27 *Constitution.*

28     ~~SEC. 2.~~

29     ~~SEC. 4.~~ This act provides for a tax levy within the meaning of  
30 Article IV of the Constitution and shall go into immediate effect.

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33     CORRECTIONS:

34     Text—Page 2.